

EXHIBIT 2

Amendment to the PayPal User Agreement and Privacy Policy

Effective Date: Nov 01, 2012

- **Amendment to the PayPal User Agreement**

This update to the User Agreement effective November 1, 2012 contains changes that affect how claims you and PayPal have against each other are resolved (see Disputes with PayPal below). You will, with limited exception, be required to submit claims you have against PayPal to binding and final arbitration, unless you opt out of the Agreement to Arbitrate (Section 14.3) by December 1, 2012. Unless you opt out: (1) you will only be permitted to pursue claims against PayPal on an individual basis, not as a plaintiff or class member in any class or representative action or proceeding and (2) you will only be permitted to seek relief (including monetary, injunctive, and declaratory relief) on an individual basis. See Disputes with PayPal below for more information.

- **Electronic Communications Delivery Policy.**

The User Agreement is being amended to include the text of the Electronic Communications Delivery Policy into its terms instead of incorporating it by reference. The Electronic Communications Delivery Policy can also be accessed at: https://cms.paypal.com/us/cgi-bin/?cmd=_render-content&content_ID=ua/UserAgreement_full. This policy describes how we communicate with you electronically, provides additional detail about the Communications we provide to you, and sets out the hardware and software you need to receive these Communications.

- **Calls to You; Mobile Telephone Numbers. Section 1.10 is being updated to state:**

By providing PayPal a telephone number (including a mobile telephone number), you agree to receive autodialed and prerecorded message calls at that number. The ways in which you provide us a telephone number include, but are not limited to, providing a telephone number at Account opening, adding a telephone number to your Account at a later time, providing it to one of our employees, or by contacting us from that phone number. If a telephone number provided to us is a mobile telephone number, you consent to receive SMS or text messages at that number. We won't share your phone number with non-affiliated third parties for their purposes without your consent, but may share your phone numbers with our Family of Companies or with our service providers, such as billing or collections companies, who may contact you using autodialed or prerecorded message calls or text messages. Standard telephone minute and text charges may apply if we contact you.

"Family of Companies" is defined as companies that are direct or indirect subsidiaries of PayPal, Inc. or eBay Inc. or are otherwise related to PayPal through common ownership or control.

- **Recording Calls.**

A new Section 1.11 (Recording Calls) is being added which states:

You understand and agree that PayPal may, without further notice or warning and in our discretion, monitor or record telephone conversations you or anyone acting on your behalf has with PayPal or its agents for quality control and training purposes or for its own protection. You acknowledge and

understand that, while your communications with PayPal may be overheard, monitored, or recorded without further notice or warning, not all telephone lines or calls may be recorded by PayPal, and PayPal does not guarantee that recordings of any particular telephone calls will be retained or retrievable.

- **PayPal Balances not insured by the FDIC.**

In order to treat assets as qualifying investments under State money transmitter laws, PayPal must hold those assets directly as beneficial owner of the asset, and not as a custodian or agent. As a result, we are revising Section 5.1 (Balances) to clarify that, if you carry a Balance in your Account, the funds underlying those Balances will be held by PayPal, and this Balance is not insured by the FDIC. PayPal will continue to hold your Balances separate from its corporate funds. As before this policy update, you do not need to hold any Balance in order to make a payment through PayPal, and if you do hold a Balance you will have the same withdrawal options.

- **Set Off of Negative Balances.**

Section 5.3 (Negative Balances and Multiple Currencies) is being amended to state that if you open more than one Account, PayPal may set off the negative Balance in one Account by using any Balance that you maintain in your other Account(s).

- **Addition of Russian Ruble Fees.**

Due to the addition of the Russian Ruble as a transacting currency for Users, the following fees are being added to the sections specified below:

Section	Fee
8.4(c), Fixed Fee for Domestic Payments in a Foreign Currency and International Payments	10 RUB
8.5(c), Fixed Fee for International Micropayments	2 RUB
8.7(a), Domestic Mass Payment Fee Cap	240 RUB
8.7(b), International Mass Payment Fee Cap	1,400 RUB
8.8, Chargeback Fee	640 RUB

- **Currency Conversion.**

Section 8.8 (Additional Fees) is being amended to state that when your payment is funded by a debit or credit card and requires a currency conversion, you consent to and authorize PayPal to convert the currency in place of your debit or credit card issuer.

- **Restricted Activities.**

Section 9.1 is being amended to enumerate the following Restricted Activities:

- Circumventing any PayPal policy or determinations about your Account such as temporary or indefinite suspensions or other Account holds, limitations or restrictions, including, but not limited to, engaging in the following actions: attempting to create new or additional PayPal Account(s) when an Account has a negative balance or has been restricted, suspended or

- otherwise limited; creating new or additional PayPal Accounts using information that is not your own (e.g. name, address, email address, etc.); or using someone else's PayPal Account;
- Harassing our employees, agents, or other users
- **Actions by PayPal - Court Orders or Other Legal Process**

A new Section 10.4 (Actions by PayPal - Court Orders or Other Legal Process) is being added which states:

PayPal, in its sole discretion, may take various actions including placing a hold, Reserve, or other limitation on your Account or the funds in it and/or releasing any or all of your funds in the event it receives notice of a court order or other legal process that restricts the use of or access to your funds or requires their release. PayPal will give notice of a hold, Reserve, or limitation it makes to comply with a court order or other legal process, unless the court order or other process directs that PayPal not provide you notice, in which case the court order or other process supersedes any notice obligation PayPal has undertaken or agreed to under the terms of this Agreement. PayPal has no obligation to contest or appeal from any such order or process. Holds, Reserves, or limitations on your account that are placed in response to a court order or other legal process may be maintained longer than 180 Days. PayPal will decide in its sole discretion the appropriate scope of a hold, Reserve, and/or limitation to assure compliance with a court order or other legal process.

Additionally, in the event PayPal receives notice of a garnishment or equivalent legal process directing the restraint of funds in your Account or directing payment of funds from your Account to the court or another third party, PayPal may limit your Account and hold the funds in it for up to 180 days, and may disburse funds from your Account, as needed, for the purpose of resolving any Dispute, Claim, Chargeback, or Reversal.

- **Protection for Unauthorized Transactions and Other Errors.**

Section 12.1 is being amended to clarify that Unauthorized Transactions and Other Errors do not include Disputes, Claims, Chargebacks, and Reversals. In addition, you agree that PayPal is authorized to handle Disputes, Claims, Chargebacks, and Reversals as set forth in the User Agreement, and that no determination made by PayPal or a card issuer with respect to a Dispute, Claim, Chargeback or Reversal will be considered an Unauthorized Transaction or Other Error. Routine inquiries about your Account balance or the status of a pending transfer into or out of your Account are not considered Unauthorized Transactions or Other Errors unless you expressly notify us of an Unauthorized Transaction or Other Error in connection with the transfer. Requests for information for tax or other recordkeeping purposes and requests for duplicate documentation also are not deemed to be Unauthorized Transactions or Other Errors.

- **No Double Recovery.**


Under Section 13.8, you may not file a Dispute/Claim or receive recovery for a purchase under PayPal Purchase Protection if you have already received a recovery for that purchase directly from eBay or the Seller. Section 13.8 is being amended to add that you are also not able to file a Dispute/Claim or receive recovery under PayPal Purchase Protection if you have already received a recovery from another third party, or if you have already filed a case for that purchase with eBay, the seller, or another third party.

- **Disputes with PayPal.**

Section 14 is being amended to update the provisions governing how disputes between you and PayPal are resolved. With limited exception, this section requires you and PayPal to submit claims to binding and final arbitration, unless you opt out of the Agreement to Arbitrate by December 1, 2012. The amended Section 14 states:

You and PayPal agree that any claim or dispute at law or equity that has arisen or may arise between us will be resolved in accordance with the provisions set forth in this Section (Section 14: Disputes with PayPal). Please read this Section carefully. It affects your rights and will impact how claims you and we have against each other are resolved.

14.1 Contact PayPal First

. If a dispute arises between you and PayPal, our goal is to learn about and address your concerns and, if we are unable to do so to your satisfaction, to provide you with a neutral and cost effective means of resolving the dispute quickly. Disputes between you and PayPal regarding the PayPal Services may be reported to Customer Service online through the PayPal Help Center at any time, or by calling (402) 935-2050  from 6 AM to midnight, Central Time.

14.2 Applicable Law. You agree that the laws of the State of Delaware, without regard to principles of conflict of laws, will govern this User Agreement and any claim or dispute that has arisen or may arise between you and PayPal, except as otherwise stated in this User Agreement.

14.3 Agreement to Arbitrate. You and PayPal each agree that any and all disputes or claims that have arisen or may arise between you and PayPal shall be resolved exclusively through final and binding arbitration, rather than in court, except that you may assert claims in small claims court, if your claims qualify. The Federal Arbitration Act governs the interpretation and enforcement of this Agreement to Arbitrate.

a. Prohibition of Class and Representative Actions and Non-Individualized Relief.

YOU AND PAYPAL AGREE THAT EACH OF US MAY BRING CLAIMS AGAINST THE OTHER ONLY ON AN INDIVIDUAL BASIS AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE ACTION OR PROCEEDING. UNLESS BOTH YOU AND PAYPAL AGREE OTHERWISE, THE ARBITRATOR MAY NOT CONSOLIDATE OR JOIN MORE THAN ONE PERSON'S OR PARTY'S CLAIMS AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A CONSOLIDATED, REPRESENTATIVE, OR CLASS PROCEEDING. ALSO, THE ARBITRATOR MAY AWARD RELIEF (INCLUDING MONETARY, INJUNCTIVE, AND DECLARATORY RELIEF) ONLY IN FAVOR OF THE INDIVIDUAL PARTY SEEKING RELIEF AND ONLY TO THE EXTENT NECESSARY TO PROVIDE RELIEF NECESSITATED BY THAT PARTY'S INDIVIDUAL CLAIM(S). ANY RELIEF AWARDED CANNOT AFFECT OTHER PAYPAL USERS.

b. Arbitration Procedures.

Arbitration is more informal than a lawsuit in court. Arbitration uses a neutral arbitrator instead of a judge or jury, and court review of an arbitration award is very limited. However, an arbitrator can award the same damages and relief on an individual basis that a court can award to an individual. An arbitrator also must follow the terms of this User Agreement as a court would.

The arbitration will be conducted by the American Arbitration Association ("AAA") under its

rules and procedures, including the AAA's Supplementary Procedures for Consumer-Related Disputes (as applicable), as modified by this Agreement to Arbitrate. The AAA's rules are available at www.adr.org. A form for initiating arbitration proceedings is available on the AAA's website at <http://www.adr.org>.

The arbitration shall be held in the county in which you reside or at another mutually agreed location. If the value of the relief sought is \$10,000 or less, you or PayPal may elect to have the arbitration conducted by telephone or based solely on written submissions, which election shall be binding on you and PayPal subject to the arbitrator's discretion to require an in-person hearing, if the circumstances warrant. Attendance at an in-person hearing may be made by telephone by you and/or PayPal, unless the arbitrator requires otherwise.

The arbitrator will decide the substance of all claims in accordance with the laws of the State of Delaware, including recognized principles of equity, and will honor all claims of privilege recognized by law. The arbitrator shall not be bound by rulings in prior arbitrations involving different PayPal users, but is bound by rulings in prior arbitrations involving the same PayPal user to the extent required by applicable law. The arbitrator's award shall be final and binding, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

c. Costs of Arbitration.

Payment of all filing, administration, and arbitrator fees will be governed by the AAA's rules, unless otherwise stated in this Agreement to Arbitrate. If the value of the relief sought is \$10,000 or less, at your request, PayPal will pay all filing, administration, and arbitrator fees associated with the arbitration. Any request for payment of fees by PayPal should be submitted by mail to the AAA along with your Demand for Arbitration and PayPal will make arrangements to pay all necessary fees directly to the AAA. If the value of the relief sought is more than \$10,000 and you are able to demonstrate that the costs of arbitration will be prohibitive as compared to the costs of litigation, PayPal will pay as much of the filing, administration, and arbitrator fees as the arbitrator deems necessary to prevent the arbitration from being cost-prohibitive. In the event the arbitrator determines the claim(s) you assert in the arbitration to be frivolous, you agree to reimburse PayPal for all fees associated with the arbitration paid by PayPal on your behalf that you otherwise would be obligated to pay under the AAA's rules.

d. Severability.

With the exception of any of the provisions in subsection (a) of this Agreement to Arbitrate ("Prohibition of Class and Representative Actions and Non-Individualized Relief"), if a court decides that any part of this Agreement to Arbitrate is invalid or unenforceable, the other parts of this Agreement to Arbitrate shall still apply. If a court decides that any of the provisions in subsection (a) of this Agreement to Arbitrate ("Prohibition of Class and Representative Actions and Non-Individualized Relief") is invalid or unenforceable, then the entirety of this Agreement to Arbitrate shall be null and void. The remainder of the User Agreement, including all other provisions of Section 14 (Disputes with PayPal), will continue to apply.

e. Opt-Out Procedure.

You can choose to reject this Agreement to Arbitrate ("opt out") by mailing us a written opt-out notice ("Opt-Out Notice"). For new PayPal users, the Opt-Out Notice must be postmarked no later than 30 Days after the date you accept the User Agreement for the first time. If you are already a current PayPal user and previously accepted the User Agreement prior to the introduction of this Agreement to Arbitrate, the Opt-Out Notice must be postmarked no later

than December 1, 2012. You must mail the Opt-Out Notice to PayPal, Inc., Attn: Litigation Department, 2211 North First Street, San Jose, CA 95131.

The Opt-Out Notice must state that you do not agree to this Agreement to Arbitrate and must include your name, address, phone number, and the email address(es) used to log in to the PayPal account(s) to which the opt-out applies. You must sign the Opt-Out Notice for it to be effective. This procedure is the only way you can opt out of the Agreement to Arbitrate. If you opt out of the Agreement to Arbitrate, all other parts of the User Agreement, including all other provisions of Section 14 (Disputes with PayPal), will continue to apply. Opting out of this Agreement to Arbitrate has no effect on any previous, other, or future arbitration agreements that you may have with us.

f. Future Changes to the Agreement to Arbitrate.

Notwithstanding any provision in the User Agreement to the contrary, you and we agree that if we make any change to this Agreement to Arbitrate (other than a change to any notice address or website link provided herein) in the future, that change shall not apply to any claim that was filed in a legal proceeding against PayPal prior to the effective date of the change. Moreover, if we seek to terminate the Agreement to Arbitrate as included in the User Agreement, any such termination shall not be effective until 30 days after the version of the User Agreement not containing the Agreement to Arbitrate is posted to <http://www.paypal.com>, and shall not be effective as to any claim that was filed in a legal proceeding against PayPal prior to the effective date of termination.

- **Release of PayPal.**

Section 14.8 is being amended to state:

If you have a dispute with one or more Users, you release PayPal (and our parent, our affiliates, and our and their respective officers, directors, agents, joint ventures, employees and suppliers) from any and all Claims, demands and damages (actual and consequential) of every kind and nature, known and unknown, arising out of or in any way connected with such disputes. In entering into this release you expressly waive any protections (whether statutory or otherwise – e.g., California Civil Code § 1542) that would otherwise limit the coverage of this release to include only those claims which you may know or suspect to exist in your favor at the time of agreeing to this release.

- **Reporting complaints to State Agencies.**

Section 14.9 (State Agencies) is being updated to state that if you are a California resident, you may report complaints to the California Department of Financial Institutions at its toll-free telephone number, 1-800-622-0620, by e-mail at consumer.complaint@dfi.ca.gov, or by mail at Department of Financial Institutions, Consumer Services, 1810 13th Street, Sacramento, CA 95811.

- **Indemnification, Release of PayPal, Limitations of Liability and Warranty Disclaimer.**

These sections (formerly Sections 14.7, 14.9, 15.1, and 15.2) have been amended to include PayPal's Affiliates, which are companies that are direct or indirect subsidiaries of PayPal, Inc. or eBay Inc. or are otherwise related to PayPal through common ownership or control, and their and PayPal's parent's respective officers, directors, agents, joint ventures, employees and suppliers as covered parties under those sections.

- **Limitations of Liability.**

Section 15.1 is being amended to add that in addition to the limitations already stated under that provision, to the extent permitted by applicable law, PayPal is not liable, and you agree not to hold PayPal responsible for any damages or losses (including, but not limited to, loss of money, goodwill, or reputation, profits, or other intangible losses or any special, indirect, or consequential damages) resulting directly or indirectly from: (1) Your use of or your inability to use PayPal's sites and services; (2) delays or disruptions in PayPal's sites and services; (3) viruses or other malicious software obtained by accessing PayPal's sites or services or any site or service linked to PayPal's sites or services; (4) glitches, bugs, errors, or inaccuracies of any kind in PayPal's sites or services or in the information and graphics obtained from them; (5) the content, actions, or inactions of third parties; (6) a suspension or other action taken with respect to your Account; (7) your need to modify practices, content, or behavior, or your loss of or inability to do business, as a result of changes to this User Agreement or PayPal's policies.

- **Discontinuation of APIs.**

Section 15.4 (License Grant) is being amended to state that PayPal may change or discontinue any APIs upon notice to you.

- **Amendment to the PayPal Privacy Policy.**

We are making changes to the PayPal Privacy Policy make the Policy more clear, better reflect our use of information and to align with new PayPal Services such as PayPal Access and the updated PayPal website. Some of the key changes to the Privacy Policy are highlighted below, however, we recommend you review the updated Policy in its entirety to ensure you are familiar with any other changes we have made. The amended Privacy Policy is effective November 1, 2012 for existing users and effective upon acceptance for new users.

The sections added or most substantively changed were:

Your Privacy Rights. We created an introductory paragraph, titled Your Privacy Rights, to ensure that you know the purpose of the privacy policy is to discuss our commitment to you on how we use your information. We also have provided you an additional method of contacting us to retrieve more information via our www.ebayprivacycenter.com website. As we discuss in our policy, our long standing core privacy principle is that we do not share your information with third parties for their marketing purposes without your consent.

How we use information. In this section, we clarified our ability to contact you via telephone and mobile phone with automated telephone systems and text messaging to help us be more efficient in contacting you and to leverage technology for your experience.

How we share personal information with other parties. In this section, we changed our law enforcement notification section to include investigations in our eBay corporate family. In addition, we have clarified that we will work with law enforcement, government officials and third parties during investigation, legal, and risk scenarios when we think it will better protect you, our PayPal community.

Using PayPal Access. We added a new section to the policy discussing PayPal Access, our new product, which enables you to log into external website sites using your PayPal User ID and access credentials. PayPal Access asks you before sharing information with external websites and hopes to improve your web surfing experience across the Internet